



## *Statewide Business Process Policy & Procedure*

<b><u>Business Process Reference:</u></b> Section: Payroll Title: Mandatory Direct Deposit	<b><u>Effective Date:</u></b> 05/01/2010 <b><u>Revision Date:</u></b> 06/22/2017
--	---

### **Index:**

[Background and Scope](#)

[Authority](#)

[Applicability](#)

[Policy](#)

[Accounting Treatment](#)

[Additional Guidance for Payroll](#)

### **Background and Scope:**

It is the policy of the State of Georgia that all employees paid by the TeamWorks HCM central payroll system, administered by the State Accounting Office (SAO) be required to use direct deposit to receive payroll related payments. In accordance with federal requirements regarding direct deposit of payroll, the employee may select the financial institution(s) of his/her choice to accommodate the receipt of direct deposit payments.

This policy is intended to maximize the utilization of electronic payments and to minimize the number of paper checks issued by the State, thereby obtaining efficiencies for the State and providing employees with a reliable and efficient manner of receiving their pay.

All documents related to this policy can be found on SAO's website by using the following navigation: [Policies and Procedures » Business Process Policies » Payroll](#)

### **Authority:**

- OCGA 50-5B-3(3), The State Accounting Officer shall prescribe the manner in which disbursements shall be made by state government organizations
- Regulation E issued by the Federal Reserve System pursuant to the Electronic Funds Transfer Act (15 U.S.C 1693 et seq.)

### **Applicability:**

This policy is applicable to all State organizations using, and all employees paid by, the TeamWorks HCM central payroll system (system) administered by the State Accounting Office (SAO).

**Policy:*****Condition of Employment***

As a condition of employment, all newly hired or rehired employees on or after May 1, 2010 are required to enroll in direct deposit within thirty (30) days of hire or rehire and remain enrolled in direct deposit for the tenure of employment. Newly hired or rehired employees will be required to sign the “Direct Deposit Notification Form,” indicating their understanding and compliance with the direct deposit policy. Any such employee who does not log into the Employee Self Service (ESS) feature of the system to complete the appropriate direct deposit information within (30) days of hire or rehire and who is not granted an exemption as provided for herein, may be subject to dismissal.

Prior to enrolling in direct deposit, a newly hired or rehired employee will be paid by paper check.

***Current Employees***

All employees employed prior to May 1, 2010 receiving their pay by direct deposit will continue to be enrolled in direct deposit. No action is required on their part. All employees employed prior to May 1, 2010 who are receiving their pay by paper check will be required to enroll in direct deposit by logging into the ESS feature of the system to complete the appropriate direct deposit information, unless granted an exemption as provided for herein. The deadline for current employees to enroll in direct deposit or apply for an exemption is June 1, 2010. Once enrolled in direct deposit, employees are required to remain enrolled in direct deposit for the tenure of employment.

***Exemption Process***

An employee may be exempted from participating in direct deposit if he/she does not have an account at an eligible financial institution, and further provides evidence that he/she cannot obtain an account at an eligible financial institution.

In his/her role of prescribing the manner in which State organizations make disbursements, the State Accounting Officer has exclusive authority to grant any exemption from the direct deposit requirement. A personal exemption may only be granted for the reason stated above (i.e., unable to acquire an account at a financial institution) or other specific situation that the State Accounting Officer may deem to be an extreme hardship. An employee desiring to request an exemption from the direct deposit requirement will do so by completing a “Direct Deposit Personal Exemption Request Form.”

The State Accounting Officer may allow a business exemption from participating in direct deposit to accommodate an organization’s payroll processing special business needs, such as payment cancellations and re-writes, limited employment period, categories of employees not eligible for direct deposit, etc. Business exemption requests will be made by sending an email to the following address: [stateaccountingoffice@sao.ga.gov](mailto:stateaccountingoffice@sao.ga.gov).

For those employees who are granted an exemption, the State Accounting Officer may secure and offer other payment methods as options, other than paper check, when such options may become available.

***Paper Check Process***

Employees that are granted an exemption in participating in direct deposit will receive a paper check. Effective July 1, 2013, all paper checks will be mailed/distributed by the employing agency on the employee’s designated payday and will be dated the date of the employee’s pay date. No post-dated paper checks will be mailed prior to the designated payday. Any employee receiving his/her pay by paper check will be required to maintain a valid mailing address in the system. Mailing addresses can be updated any time by logging into the ESS feature of the system.

**Accounting Treatment:**

Not applicable.

**Additional Guidance for Payroll:**

Query 0PY042\_ESS\_DIR\_DEPOSIT\_CHECK should be run as frequent as necessary to monitor direct deposit enrollment. This query should be used in conjunction with the Payroll Check Register report PYXXX0004.